

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2004

	December-04					September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month	Month	Market Value	Allocation	Quarter	Quarter	Fiscal YTD	FY04	Ended	Ended
				Net ROR	Net ROR				Net ROR	Net ROR		6/30/2004	6/30/2004
												Net	Net
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	1,481,669	5.2%	5.1%	10.52%	4.78%	1,340,142	5.1%	5.1%	-4.17%	5.92%	N/A	N/A	N/A
Total Structured Growth	1,481,669	5.2%	5.1%	10.52%	4.78%	1,340,142	5.1%	5.1%	-4.17%	5.92%	19.20%	-5.87%	-7.07%
Russell 1000 Growth				9.17%	3.92%				-5.23%	3.47%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>													
LSV	1,611,588	5.7%	5.1%	9.12%	2.80%	1,477,038	5.6%	5.1%	3.11%	12.51%	29.44%	9.20%	8.31%
Russell 1000 Value				10.38%	3.35%				1.54%	12.08%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	1,959,292	6.9%	6.9%	9.18%	3.59%	1,794,619	6.8%	6.9%	-2.24%	6.74%	18.59%	-0.17%	N/A
Russell 1000				9.80%	3.62%				-1.81%	7.81%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	1,974,901	7.0%	6.9%	9.18%	3.29%	1,808,813	6.8%	6.9%	-2.17%	6.81%	19.00%	-0.31%	N/A
Strong	-	0.0%	0.0%	N/A	N/A	2	0.0%	0.0%	N/A	N/A	21.13%	-0.06%	N/A
Westridge	1,969,694	6.9%	6.9%	9.50%	3.44%	1,802,020	6.8%	6.9%	-1.94%	7.38%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	3,944,595	13.9%	13.7%	9.34%	3.37%	3,610,835	13.6%	13.7%	-2.13%	7.01%	19.81%	-0.24%	N/A
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>													
State Street	1,003,407	3.5%	3.4%	9.23%	3.41%	918,576	3.5%	3.4%	-1.87%	7.19%	19.08%	-0.67%	-2.17%
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	10,000,551	35.2%	34.3%	9.44%	3.53%	9,141,209	34.5%	34.3%	-1.59%	7.70%	20.38%	0.08%	-2.14%
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	3,375,330	11.9%	10.7%	14.79%	3.88%	2,937,983	11.1%	10.7%	-3.59%	10.67%	33.33%	5.76%	N/A
Russell 2000 + 200bp				14.64%	3.13%				-2.36%	11.93%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	3,375,330	11.9%	10.7%	14.79%	3.88%	2,937,983	11.1%	10.7%	-3.59%	10.67%	33.33%	5.76%	6.81%
Russell 2000				14.09%	2.96%				-2.86%	10.83%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	94,868	0.3%	0.3%	10.22%	4.34%	164,155	0.6%	0.6%	-1.24%	8.85%	27.44%	0.42%	-1.44%
MSCI EAFE (1)				11.69%	4.39%				-0.72%	10.89%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>													
Capital Guardian	271,339	1.0%	0.9%	10.34%	3.70%	394,919	1.5%	1.5%	-1.48%	8.71%	25.40%	-1.15%	1.54%
LSV	258,026	0.9%	0.9%		4.67%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(34)	0.0%	0.0%		N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	93,670	0.3%	0.3%	16.02%	5.56%	80,680	0.3%	0.3%	-1.07%	14.78%	23.61%	N/A	N/A
Total Large Cap - Active	623,001	2.2%	2.1%	11.63%	4.34%	475,599	1.8%	1.8%	-1.41%	10.06%	25.11%	-0.79%	1.76%
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>													
Lazard	91,460	0.3%	0.3%	16.15%	4.36%	86,260	0.3%	0.3%	0.76%	17.03%	44.40%	N/A	N/A
Wellington	89,536	0.3%	0.3%	13.12%	4.08%	79,128	0.3%	0.3%	-4.63%	7.89%	42.26%	N/A	N/A
Total Small Cap - Active	180,996	0.6%	0.6%	14.63%	4.22%	165,387	0.6%	0.6%	-1.92%	12.43%	43.25%	N/A	N/A
Citigroup Broad Market Index < \$2BN				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	898,865	3.2%	3.0%	11.66%	4.34%	805,141	3.0%	3.0%	-1.47%	10.01%	29.19%	2.00%	1.63%
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY													
Capital Guardian	443,891	1.6%	1.5%	15.37%	5.13%	384,503	1.4%	1.5%	7.64%	24.19%	27.91%	8.93%	2.83%
MSCI Emerging Markets Free				17.27%	4.81%				8.25%	26.95%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	1,111,506	3.9%	4.1%	1.25%	1.04%	1,097,944	4.1%	4.0%	3.67%	4.97%	2.02%	8.00%	8.39%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Active Duration</i>													
WestAM (Criterion)	1,096,180	3.9%	4.1%	1.06%	0.82%	1,084,866	4.1%	4.0%	2.75%	3.83%	-0.25%	5.14%	6.43%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Index</i>													
Bank of ND	1,851,650	6.5%	8.0%	0.70%	1.04%	1,833,146	6.9%	7.8%	3.46%	4.18%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	581,060	2.0%	2.0%	1.26%	0.42%	578,079	2.2%	2.2%	1.21%	2.48%	5.08%	5.57%	5.70%
Total Index	2,432,710	8.6%	10.0%	0.87%	0.85%	2,411,225	9.1%	10.0%	3.05%	3.94%	0.23%	6.79%	6.83%
Lehman Gov/Credit				0.80%	1.06%				3.56%	4.39%	-0.72%	6.73%	7.10%
<i>Convertibles</i>													
TCW	1,156,951	4.1%	4.1%	8.54%	3.01%	1,066,306	4.0%	4.0%	-3.94%	4.26%	16.74%	0.51%	3.89%
First Boston Convertible Index				5.37%	2.08%				-1.05%	4.26%	14.44%	4.95%	5.78%

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	Market Value	Allocation	Quarter	Month	Month	Market Value	Allocation	Quarter	Quarter	Fiscal YTD	FY04	Ended	Ended
				Net ROR	Net ROR				Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
												Net	Net
BBB Average Quality													
Wells Capital (formerly Strong)	1,116,916	3.9%	4.1%	3.94%	1.58%	1,072,442	4.0%	4.0%	4.62%	8.73%	1.29%	6.26%	7.23%
Lehman BBB				1.69%	1.56%				4.76%	6.53%	1.23%	8.23%	6.60%
Timberland													
RMK	1,369,077	4.8%	4.8%	8.02%	8.31%	1,278,970	4.8%	4.8%	3.86%	12.19%	10.46%	N/A	N/A
TIR	2,444,904	8.6%	8.6%	0.43%	0.27%	2,442,433	9.2%	9.2%	N/A	N/A	N/A	N/A	N/A
Total Timberland	3,813,981	13.4%	13.4%	3.04%	3.03%	3,721,403	14.0%	14.0%	3.86%	7.01%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	10,728,244	37.8%	40.0%	2.69%	1.90%	10,454,186	39.4%	40.0%	2.69%	5.45%	5.08%	6.35%	7.34%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
HIGH YIELD BONDS													
Loomis Sayles	514,117	1.8%	1.8%	7.13%	2.59%	479,863	1.8%	1.8%	6.23%	13.81%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				4.51%	1.47%				4.85%	9.57%	N/A	N/A	N/A
Sutter/Wells Capital	498,372	1.8%	1.8%	3.98%	1.02%	479,384	1.8%	1.8%	4.20%	8.35%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				4.55%	1.51%				4.63%	9.39%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	1,012,489	3.6%	3.5%	5.56%	1.81%	959,247	3.6%	3.5%	5.21%	11.06%	7.69%	6.68%	2.79%
Lehman High Yield Bond Index				4.57%	1.49%				4.85%	9.64%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	291,866	1.0%	1.0%	10.41%	1.80%	262,023	1.0%	1.0%	3.06%	13.79%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (2)				10.63%	1.89%				3.29%	14.27%	7.59%	13.65%	6.84%
International Core													
Brandywine	292,060	1.0%	1.0%	9.22%	1.88%	269,751	1.0%	1.0%	4.74%	14.40%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				10.66%	1.92%				3.49%	14.52%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	583,926	2.1%	2.0%	9.81%	1.84%	531,774	2.0%	2.0%	3.90%	14.09%	8.78%	14.41%	6.59%
Citigroup Non-US Gov't Bond Index (2)				10.63%	1.89%				3.29%	14.27%	7.59%	13.65%	6.84%
REAL ESTATE													
J.P. Morgan	844,838	3.0%	3.0%	2.85%	1.83%	821,399	3.1%	3.0%	3.83%	6.80%	11.11%	7.63%	9.54%
NCREIF TOTAL INDEX				4.69%	1.54%				3.42%	8.27%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS													
Coral Partners V	18,597			-4.59%	0.00%	21,867			6.37%	1.49%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	2,196			2.90%	0.00%	2,601			2.37%	5.34%	30.44%	N/A	N/A
Coral Partners VI	11,982			-2.08%	0.00%	14,142			-0.28%	-2.35%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	4,696			-0.98%	4.02%	6,256			3.37%	2.35%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	8,546			2.80%	2.80%	9,326			0.48%	3.29%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	15,907			3.30%	3.30%	17,274			3.01%	6.41%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	8,500			1.05%	0.42%	7,805			0.81%	1.87%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	5,350			-4.00%	4.58%	4,394			-4.97%	-8.76%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	848			2.02%	-0.63%	588			-2.71%	-0.74%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	4,854			7.91%	7.91%	5,389			5.73%	14.09%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	5,538			2.89%	1.57%	6,571			3.24%	6.22%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	4,174			-1.63%	0.07%	4,014			0.86%	-0.79%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	6,834			6.60%	3.86%	6,548			0.27%	6.89%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	1,839			-0.78%	-0.78%	1,415			-0.12%	-0.90%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	240			-1.76%	-1.76%	274			0.09%	-1.67%	N/A	N/A	N/A
Brinson BVCF IV	24,840			-0.88%	0.00%	30,881			6.66%	5.72%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	18,533			4.11%	2.95%	30,266			-3.26%	0.72%	13.00%	N/A	N/A
Matlin Patterson Global Opportunities II	14,262			-1.12%	8.74%	-			N/A	N/A	N/A	N/A	N/A
InvestAmerica	6,201			0.00%	0.00%	6,956			17.28%	17.28%	-7.73%	N/A	N/A
Hearthstone MSII	0			536.18%	140.24%	793			106.69%	1214.92%	28.64%	20.32%	N/A
Hearthstone MSIII	32,440			1.26%	0.00%	35,941			-0.08%	1.18%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	196,378	0.7%	1.0%	2.75%	2.61%	213,300	0.8%	1.0%	2.92%	5.74%	3.07%	-12.87%	-3.91%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	317,081	1.1%	1.0%	0.45%	0.17%	274,533	1.0%	1.0%	0.44%	0.89%	1.44%	1.86%	3.48%
90 Day T-Bill				0.46%	0.21%				0.37%	0.85%	0.96%	1.71%	3.29%
TOTAL FUND	28,401,594	100.0%	100.0%	7.00%	2.78%	26,523,275	100.0%	100.0%	0.55%	7.58%	14.85%	4.50%	3.86%
POLICY TARGET BENCHMARK				6.14%	2.20%				0.82%	7.01%	12.08%	4.47%	3.75%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.